

Development Objective Agreement

USAID Development Objective Agreement No. 669-DOAG-DO4-12-00

DEVELOPMENT OBJECTIVE AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND

THE REPUBLIC OF LIBERIA

FOR

USAID DEVELOPMENT OBJECTIVE 4: BETTER-EDUCATED LIBERIANS

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DEVELOPMENT OBJECTIVE AGREEMENT

Dated: September 17, 2012

Between

The United States of America, acting through the United States Agency for International Development ("USAID")

and

The Republic of Liberia (hereinafter referred to as the "Grantee")

Article 1: Purpose.

The purpose of this Development Objective Agreement (the "Agreement") is to set out the understanding of the Parties named above (the "Parties") in connection with the Objective described below.

Article 2: Development Objective and Results.

Section 2.1. Development Objective. In order to further the Development Objective "Better-Educated Liberians" articulated by the Government of the United States of America in the USAID/Liberia Country Development Cooperation Strategy 2013-2017, the Parties hereto agree to work together by focusing on activities in Basic and Higher Education.

Section 2.2. Intermediate Results. In order to achieve the Objective, the Parties agree to work together to achieve the following results:

- Improved basic education opportunities;
- Improved higher education opportunities.

Within the limits of the definition of the Development Objective in Section 2.1, this Section 2.2 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

Section 2.3. Annex 1, Amplified Description. Annex 1, attached, amplifies the above Objective and describes the Intermediate Results, Sub-results and Indicators that will be used to measure the progress and achievement of the Objective. Within the limits of the definition of the Development Objective set forth in Section 2.1, Annex 1 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

Article 3: Contributions of the Parties.

Section 3.1. USAID Contribution.

(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of the Agreement an amount not to exceed THIRTY-TWO MILLION FIVE HUNDRED THOUSAND United States Dollars (\$32,500,000).



(b) Total Estimated USAID Contribution. USAID's total estimated contribution to achievement of the Objective will be ONE HUNDRED AND SEVENTY-TWO MILLION THREE HUNDRED AND EIGHTY-SEVEN THOUSAND AND TWENTY United States Dollars (\$172,387,020), which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and may be provided by USAID upon written notice to the Grantee. The Parties agree that each such incremental contribution provided, if any, shall cumulatively increase the total amount of the Grant set forth in Section 3.1 and consequently may increase the Grantee's contribution under Section 3.2. The Grantee further agrees to acknowledge by written notice to USAID each such incremental contribution, if any.

(c) If at any time USAID determines that its contribution under Section 3.1(a) exceeds the amount which reasonably can be committed for achieving the Objective during the current or next U.S. fiscal year, USAID may, upon written notice to the Grantee, withdraw the excess amount, thereby reducing the amount of the Grant as set forth in Section 3.1(a). Actions taken pursuant to this subsection will not revise USAID's total estimated contribution set forth in 3.1(b).

(d) The Parties agree that USAID's contribution may be disbursed through mechanisms including grants, cooperative agreements, and contracts with non-governmental organizations and private companies in order to carry out the activities described in Annex 1 of this Agreement or described in Implementation Letters issued in accordance with Section A.2 of Annex 2 of this Agreement. The parties further agree that any such implementing partner carrying out activities in furtherance of the Objective shall receive all of the rights, privileges, and other benefits set forth in this Agreement.

Section 3.2. Grantee Contribution.

(a) The Grantee agrees to provide or cause to be provided all funds, in addition to those provided by USAID and any other donor identified in Annex 1, and all other resources required to complete, on or before the Completion Date, all activities necessary to achieve the Objective. The basis for determining the Grantee's contribution and the nature of the contribution will be further described in an Implementation Letter.

(b) The Grantee's financial contributions to the achievement of this Development Objective, based on USAID's contribution in Section 3.1(a), will not be less than the equivalent of twenty-five percent of the portion of the Grant that is used to support activities that either directly provide substantial benefit to the Government of the Republic of Liberia or involve the direct and substantial involvement of the Government of the Republic of Liberia in the administration, control or management of such assistance, provided that such amount may be reduced with the written consent of USAID. The Grantee's financial contributions may include either cash or in-kind contributions or both. The dollar equivalent amount of the Grantee's contribution shall be set forth in an Implementation Letter and shall be subsequently included in the Illustrative Financial Plan included in Annex 3 of this Agreement. The amount of the Grantee's contribution shall be adjusted upon any incremental increase in the amount of the Grant set forth in Section 3.1(a), in accordance with the formula described in the first sentence of this paragraph, and the precise amount of such adjustment shall be indicated in an Implementation Letter. The Grantee agrees to maintain a record of its contributions under this Agreement for a period of three years after the Completion Date and will report at least annually in a format to be agreed upon with USAID on its cash and in-kind contributions.

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Article 4: Completion Date.

- (a) The Completion Date, which is September 30, 2017, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all the activities necessary to achieve the Objective will be completed.
- (b) Except as USAID may otherwise agree to in writing, USAID will not issue or approve documentation that would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.
- (c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, are to be received by USAID no later than nine (9) months before the Completion Date, or such other period as USAID agrees to in writing before or after such period. After such period USAID, at any time or times, may give notice in writing to the Grantee and reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, were not received before the expiration of such period.

Article 5: Conditions Precedent to Disbursement.

Section 5.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID:

- (a) An opinion of counsel acceptable to USAID that (i) this Agreement has been duly authorized or ratified by, and executed on behalf of the Grantee, (ii) this Agreement constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms, and (iii) all internal actions and approvals necessary to give effect to this Agreement have been obtained by or on behalf of the Grantee; and
- (b) A signed statement in the name of the person holding or acting in the office of the Grantee specified in Section 7.2, which designates by name and title any additional representatives each of whom may act pursuant to Section 7.2.

Section 5.2. Notification. USAID will promptly notify the Grantee when USAID has determined that a condition precedent has been met.

Section 5.3. Terminal Dates for Conditions Precedent.

The terminal date for meeting the conditions specified in Section 5.1 is 60 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.1 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

Article 6: Special Covenants.

Section 6.1 The Grantee, in conjunction with the appropriate Government of Liberia Ministries, Agencies and Commissions, hereby covenants and agrees to adopt and implement policies, procedures and systems which are consistent with the Development Objective and conducive to the effective implementation of assistance projects supported by this Grant.



Section 6.2 In addition, the Grantee, in conjunction with the appropriate Government of Liberia Ministries, Agencies and Commissions, covenants and agrees to issue, renew and/or extend free of charge and in a timely manner all official permits, visas, exemptions and any other permissions (including all approvals as may be required from time to time to ensure full access to information, project sites and relevant offices) for the Applicable Persons (as defined below) carrying out activities financed by USAID under this Agreement (collectively, the "Required Documents"). For purposes of these provisions, Applicable Persons is defined as: (1) employees and consultants of any contractors, grantees and other organizations carrying out activities financed by USAID under this Agreement and (b) members of such employees' and consultants' households. Any renewals or extensions of such Required Documents that are required, or become required, in order for such employees, consultants and dependent family members to legally reside in the Republic of Liberia and undertake the activities contemplated by and financed under this Agreement shall also be issued free of charge.

Article 7: Miscellaneous.

Section 7.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing and will be deemed duly given or sent when delivered to such Party at the following address:

To USAID:
Mail Address:
Mission Director
United States Agency for International Development
c/o American Embassy
502 Benson St.
Monrovia, Liberia

To Government of Liberia
Mail Address:
Minister
Ministry of Finance
Monrovia, Liberia

All such communications will be in English, unless the Parties otherwise agree in writing. Other contact information may be substituted for the above upon the giving of notice.

Section 7.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of the Minister of Finance and USAID will be represented by the individual holding or acting in the Office of the Mission Director, each of whom, by written notice, may designate additional representatives for all purposes other than signing formal amendments to the Agreement. The names and titles of the additional representatives of the Grantee will be provided pursuant to Section 5.1(b) to USAID, which may accept as duly authorized any instrument signed by such additional representatives (or any individuals subsequently holding or acting in the office of such representatives) in accordance with this Section 7.2, until receipt of written notice of revocation of their authority.

Section 7.3. Standard Provisions. A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.



Section 7.4. Language of Agreement. This Agreement is prepared in English only.

A handwritten signature in black ink, appearing to be "S. J. Chen" or similar, located in the bottom right corner of the page.

IN WITNESS WHEREOF, the United States of America and the Grantee, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

By:



Name: Patricia Rader

Title: Mission Director

Date: 9/29/12

REPUBLIC OF LIBERIA

By:



Name: Sebastian Muah

Title: Deputy Minister for Budget/
Acting Minister of Finance

Date: September 29, 2012

Annex 1 Amplified Description

I. Introduction.

This Annex 1 describes the activities to be undertaken and the progress and achievements to be made with the funds obligated under this Agreement. Nothing in this annex shall be construed as amending any of the definitions or terms of the Agreement.

II. Development Objective and Intermediate Results

Development Objective 4: Better Educated Liberians

Hypothesis: USAID/Liberia aims to increase educational achievement in Liberia by improving the educational opportunities provided to Liberian children, youth, and young adults. To achieve this will require: first, getting more children and youth, especially girls and young women in the rural areas, into primary schools and alternative basic education programs and keeping them there; and second, improving the quality of the education they receive.

The development hypothesis underpinning USAID's education program is that by increasing the number of trained teachers in Liberian schools, improving teachers' and pupils' access to modern pedagogical resources and tools and safe learning environments, and systemically strengthening the management and oversight of Liberia's educational system as a whole, more children and youth will attend and complete primary school or alternative basic education programs. Through improved instruction, especially in reading, these pupils will acquire the foundational skills they need to succeed at higher levels of schooling. USAID also hypothesizes that, through these improvements in basic education, youth and adults coming out of higher levels of the Liberian educational system will have acquired cognitive and life skills that will help to improve health results for themselves and their households, increase their potential economic productivity and employability, strengthen their ability and desire to participate constructively in the democratic process, and otherwise improve their living standards and quality of life.

As mentioned above, low age-appropriate enrollments represent a serious problem in Liberia, and the factors which contribute to this pattern are not clearly understood. USAID/Liberia's hypothesis is that, in response to tangible improvements in the availability and quality of educational services, parents will be more willing to enroll their children as soon as they are eligible to begin school and keep their children in school longer. This hypothesis will be closely studied during the initial period of this strategy. In the event that the program interventions are not having the desired effect on enrollment and retention rates, USAID will explore alternative approaches.

At the tertiary level, Liberia's ability to direct its own development, and succeed in an increasingly competitive global economy largely depends on the quality and relevance of professional and technical education and training. The sheer magnitude of the gap between demand for, and supply of, qualified professionals would make it prohibitively expensive to attempt to fill these gaps by sending students outside Liberia. Therefore, tertiary education institutions must be strengthened within Liberia.

In this context, the development hypothesis underpinning USAID's investments in tertiary education is that unmet demands for professional and technical graduates in agriculture, engineering, health care, and education can be better filled by strengthening Liberian universities

so that these local institutions can increase equitable access for and offer high quality advanced education and training to capable secondary school graduates.

Approach: USAID will take a two-track approach to achieve our objective in education, supporting direct interventions to boost educational access and outcomes in selected counties in the shorter term, while also building the capacity of the Ministry of Education (MOE) and the educational system in general to deliver more effective and efficient educational services on a sustained basis over the longer term. Direct, short-term interventions will include rapid dissemination of improved curricula, teaching and learning materials and other pedagogical resources and tools, and public outreach and stakeholder engagement to promote increased enrollment, retention and learning outcomes, particularly for girls. Medium- and long-term capacity development work in this sector will focus on teachers' professional development, management and curricular reforms, and improving MOE decision-making, planning and policy development, accountability, community outreach and engagement, management and administration, and monitoring and evaluation capabilities.

USAID's capacity development efforts will support decentralization of decision-making, management, and administration of the education system. Decentralization of education services can lead to greater community engagement by bringing education decision-making closer to the people and strengthening accountability in the use of education funds. USAID expects that greater community engagement in the learning process will improve student enrollment and the quality of basic education services.

Higher education programs under this DO will focus on expanding access to education opportunities for young adults. Active recruitment for pre-service teacher training, as well as participation in USAID-supported higher education programs, will be carried out throughout the country. MOE systems reforms, including information and resource management, are national in scope.

The principal beneficiaries of USAID's education program in Liberia will be basic education-level school children, over-age and out-of-school youth and young adults (including ex-combatants), students enrolled in tertiary education programs, in-service and teachers in training, and administrators within Liberia's educational system, at central, county and community levels. In all of these categories, we will particularly seek to engage girls and women, and promote their increased participation in and contributions to the development of Liberia's educational system.

Details of Intermediate Results and Illustrative Activities

Intermediate Result 4.1: Improved Basic Education Opportunities.

Sub IR 4.1.1 - Improved quality

Sub IR 4.1.2 - Increased equitable access

Sub IR 4.1.3 - Strengthened human and institutional capacity

Intermediate Result 4.2: Improved Higher Education Opportunities

Sub IR 4.2.1 - Improved quality

Sub IR 4.2.2 - Increased equitable access

Sub IR 4.2.3 - Strengthened human and institutional capacity

III. Funding.

Financial Plan. The financial plan for the activities under this Agreement is set forth in the attached Illustrative Financial Plan, Annex 3 to the Agreement. Changes may be made to the Illustrative Financial Plan by representatives of the Parties without formal amendment to the Agreement, if such changes do not cause (1) USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement, or (2) the Grantee's contribution to be less than the amount specified in Section 3.2 of the Agreement.

IV. Roles and Responsibilities of the Parties.

USAID/Liberia

USAID/Liberia will manage and monitor the planned activities in compliance with USAID regulations and procedures. Technical expertise within USAID to advise and direct these efforts will be funded under this Agreement. Additional expertise will be provided in the form of short-term assistance as needed and with the use of funds obligated under this Agreement. USAID will lead the selection of the primary implementing partners in consultation with the Ministry of Education.

Portfolio review meetings will be held once a year to review objectives, results and activities. Meetings are expected to include the Government of the Republic of Liberia officials, other implementing partners and donors.

Government of Liberia

The Government of Liberia's Ministry of Finance coordinates all activities and is USAID's lead partner in the planning and monitoring of project activities.

The Government of Liberia's Ministry of Education serves as USAID's lead partner for activities under this Development Objective in the technical design, monitoring and coordination of project activities. The Ministry of Education convenes monthly donor coordination meetings to present strategic issues and outline key priorities, and chairs monthly implementing partner meetings to keep all stakeholders informed of new developments.

The Ministry of Education of the Government of Liberia will provide access to critical national educational data so as to provide insight into local and national realities and facilitate program monitoring and evaluation.

V. Monitoring and Evaluation.

Except as the Parties may otherwise agree in writing, the Parties stipulate that:

- a) USAID and its implementing partners will systematically monitor and report progress on performance indicators during the Agreement period; illustrative indicators are described in the table below;
- b) Each contract, grant or cooperative agreement awarded under this Agreement will include a performance and monitoring plan that identifies indicators and targets; the USAID team managing this Agreement will review the data collected from implementing partners and the GOL for inclusion in that plan;
- c) Independent audits will be funded under each activity according to regulations set forth in the respective agreements with implementing partners;

- d) Funds made available under this Agreement may be used for monitoring and evaluation purposes;
- e) The strategy baseline survey conducted by USAID at the beginning of this Agreement will serve as a baseline for measuring progress under this Agreement; and
- f) The Grantee will ensure that public sector agencies associated with the Agreement undertake reasonable efforts to produce and/or obtain and provide to USAID all data needed to measure performance of activities under the Agreement.

VI. Indicators

USAID will use the following indicators to measure the impact of programs under this Agreement and track progress towards the goal of “Better-Educated Liberians”. As a group, the indicators capture the intended impact of the development strategy and how this impact will be achieved. Where available USAID will collect baseline values with the assistance of the GOL.

DO4: Better-Educated Liberians

- Proportion of students who, by the end of two grades of primary schooling, demonstrate that they can read and understand the meaning of grade level text
- Women’s literacy rate (ages 15-34)
- Percentage change in Primary Net Enrollment Ratio (Gross)
- Girls’ Gross Primary Completion ratio (Net)

Intermediate Results		IR Indicators
IR 4.1	Improved basic education opportunities	Proportion of students who after two/three years of schooling reach benchmark in reading fluency due to USG interventions
		% of trained public primary education school teachers
		% of youth in USG-supported alternative basic education programs who transit to post-program academic or livelihood options
SubIR 4.1.1	Improved quality	Number of learners receiving USG supported reading interventions at the primary level
		Number of textbooks and other teaching and learning materials (TLM) provided with USG assistance
		Number of teachers, administrators and officials trained in improved reading/classroom instructional delivery
SubIR 4.1.2	Increased equitable access	Number of learners enrolled in primary schools and/or equivalent non-school based settings
		Gender Parity Index
		Number of teachers in USG supported programs trained on how to support learners’ psychosocial well-being
SubIR 4.1.3	Strengthened institutional capacity	MOE institutional capacity index
		# of laws, policies, regulations, or guidelines developed or modified to improve primary grade reading programs or increase equitable

Intermediate Results		IR Indicators
IR 4.2	Improved higher education opportunities	access
		Number of PTAs or similar school governance structures supported
		Percentage of USG-supported graduates from tertiary education programs reporting themselves as employed
SubIR 4.2.1	Improved quality	Number of individuals from underserved and/or disadvantaged groups accessing tertiary education programs
		Number of USG-funded tertiary education programs that include experiential and/or applied learning opportunities
		Number of USG-supported tertiary programs with curricula revised with private and/or public sector employers' input or on the basis of market research
SubIR 4.2.2	Increased equitable access	Number of tertiary institution faculty or teaching staff whose qualifications are strengthened through USG-supported tertiary education programs
		Number of students awarded merit and need-based scholarships to study in tertiary programs that support country development goals
		Number of students who participate in internships through linkages with private and public entities
SubIR 3.2.3	Strengthened institutional capacity	# of USG-supported tertiary educational programs that develop or implement industry-recognized skills certification
		Number of USG-supported organizational improvements that strengthen the institutional capacity of host-country tertiary institutions

Progress toward achieving the Development Objective "Better-Educated Liberians" will be measured against indicators such as those listed in this Agreement. USAID, working with its implementing partners, will identify baseline data, and regularly monitor data on each indicator or track progress and make adjustments as necessary. Specific performance measurements will be identified for achieving targets of each implementation mechanism and a monitoring and evaluation schedule will be set at the time of the award or at a subsequent amendment to the agreement.

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Standard Provisions

Article A: Definitions and Implementation Letters.

Section A.1. Definitions. As used in this Annex, the "Agreement" refers to the Development Objective Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Section A.2. Implementation Letters. To assist the Grantee in the implementation of the Agreement, USAID, from time to time, will issue implementation letters ("Implementation Letters") that will furnish additional information about matters stated in this Agreement. The Parties may also issue jointly agreed-upon Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Implementation Letters can also be issued to record revisions or exceptions which are permitted by the Agreement.

Article B: General Covenants.

Section B.1. Consultation. The Parties will cooperate to assure that the Objective and Program Elements of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on progress toward the Objective and Program Elements, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged under the Agreement, and other matters relating to the Agreement.

Section B.2. Execution of Agreement. The Grantee will:

- (a) Carry out the Agreement and the activities required to be undertaken directly (or caused to be undertaken) by the Grantee, or cause the Agreement and such activities to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules, or other arrangements, and with any modifications therein, approved by USAID pursuant to this Agreement; and
- (b) Provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of activities financed under the Agreement, and, as applicable for continuing activities, cause those activities to be operated and maintained in such manner as to assure the continuing and successful achievement of the Objective and Program Elements under the Agreement.

Section B.3. Utilization of Goods and Services.

- (a) Any goods and services financed under this Agreement, unless otherwise agreed in writing by USAID, will be devoted to the Agreement until the completion or termination of the Agreement, and thereafter (as well as during any period of suspension of the Agreement) will be used to further the Objective of the Agreement or as USAID may direct in Implementation Letters.
- (b) Goods or services financed under this Agreement, except as USAID may otherwise agree in writing, will not be used to promote or assist a foreign aid project or

activity associated with or financed by a country not included in USAID Geographic Code 935 as in effect at the time of such use.

Section B.4. Taxation.

(a) General Exemption. The Agreement and the assistance thereunder are free from any taxes imposed under laws in effect in the territory of the Grantee.

(b) Except as provided otherwise in this provision, the General Exemption in subsection (a) applies to, but is not limited to (1) any activity, contract, grant or other implementing agreement financed by USAID under this Agreement; (2) any transaction or supplies, equipment, materials, property or other goods (hereinafter collectively "goods") under (1) above; (3) any contractor, grantee, or other organization carrying out activities financed by USAID under this Agreement; (4) any employee of such organizations; and (5) any individual contractor or grantee carrying out activities financed by USAID under this Agreement.

(c) Except as provided otherwise in this provision, the General Exemption in subsection (a) applies to, but is not limited to, the following taxes:

(1) Exemption 1. Customs duties, tariffs, import taxes, or other levies on the importation, use and re-exportation of goods or the personal belongings and effects (including personally-owned automobiles) for the personal use of non-national individuals or their family members. Exemption 1 includes, but is not limited to, all charges based on the value of such imported goods, but does not include service charges directly related to services performed to transfer goods or cargo.

(2) Exemption 2. Taxes on the income, profits or property of all (i) non-national organizations of any type, (ii) non-national employees of national and non-national organizations, or (iii) non-national individual contractors and grantees. Exemption 2 includes income and social security taxes of all types and all taxes on the property, personal or real, owned by such non-national organizations or persons. The term "national" refers to organizations established under the laws of the Grantee and citizens of the Grantee, other than permanent resident aliens in the United States:

(3) Exemption 3. Taxes levied on the last transaction for the purchase of goods or services financed by USAID under this Agreement, including sales taxes, value-added taxes (VAT), or taxes on purchases or rentals of real or personal property. The term "last transaction" refers to the last transaction by which the goods or services were purchased for use in the activities financed by USAID under this Agreement.

(d) If a tax has been levied and paid contrary to the provisions of an exemption, USAID may, in its discretion, (1) require the Grantee to refund to USAID or to others as USAID may direct the amount of such tax with funds other than those provided under the Agreement, or (2) offset the amount of such tax from amounts to be disbursed under this or any other agreement between the Parties.

(e) In the event of a disagreement about the application of an exemption, the Parties agree to promptly meet and resolve such matters, guided by the principle that the assistance furnished by USAID is free from direct taxation, so that all of the assistance

furnished by USAID will contribute directly to the economic development of the country of the Grantee.

Section B.5. Reports and Information, Agreement Books and Records, Audits, and Inspections.

- (a) Reports and Information. The Grantee shall furnish USAID accounting records and such other information and reports relating to the Agreement as USAID may reasonably request.
- (b) Grantee Agreement Books and Records. The Grantee shall maintain accounting books, records, documents and other evidence relating to the Agreement, adequate to show, without limitation, all costs incurred directly by the Grantee under the Agreement, the receipt and use of goods and services acquired by the Grantee under the Agreement, agreed-upon cost sharing requirements, the nature and extent of solicitations of prospective suppliers of goods and services acquired by the Grantee, the basis of award of contracts and orders made directly by the Grantee, and the overall progress of the Agreement toward completion ("Agreement books and records"). The Grantee shall maintain Agreement books and records in accordance with generally accepted accounting principles prevailing in the United States, or at the Grantee's option, with approval by USAID, other accounting principles, such as those (1) prescribed by the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) or (2) prevailing in the country of the Grantee. Agreement books and records shall be maintained for at least three years after the date of last disbursement by USAID or for such longer period, if any, required to resolve any litigation, claims or audit findings. For the avoidance of doubt, this Section B.5(b) applies solely to Grant funds expended directly by the Grantee.
- (c) Grantee Audit. If \$300,000 or more of USAID funds are expended directly by the Grantee in its fiscal year under the Agreement, the Grantee shall have financial audits made of the expenditures in accordance with the following terms, except as the Parties may otherwise agree in writing:
 - (1) With USAID approval, the Grantee shall use its Supreme Audit Institution or select an independent auditor in accordance with the "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the USAID Inspector General ("Guidelines"), and the audits shall be performed in accordance with the Guidelines; and
 - (2) The audit shall determine whether the receipt and expenditure of the funds provided under the Agreement are presented in accordance with generally accepted accounting principles agreed to in subsection (b) above and whether the Grantee has complied with the terms of the Agreement. Each audit shall be completed no later than nine months after the close of the Grantee's year under audit.
- (d) Sub-recipient Audits. The Grantee, except as the Parties may otherwise agree in writing, shall submit to USAID, in form and substance satisfactory to USAID, a plan for the audit of the expenditures of "covered" sub-recipients, as defined below, that receive funds in connection with a direct contract or agreement entered into directly with the Grantee pursuant to the activities contemplated by this Agreement.

(3) Any motor vehicles financed under the Agreement will be of United States manufacture, except as USAID may otherwise agree in writing.

(b) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(c) Provisions concerning restricted and ineligible goods and services may be provided in an Implementation Letter.

(d) Transportation by air of property or persons financed under this agreement will be on carriers holding United States certification, to the extent service by such carriers is available under the Fly America Act. This requirement may be further described by USAID in Implementation Letters.

Section C.2. Eligibility Date. No goods or services may be financed under the Agreement which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

Section C.3. Plans, Specifications and Contracts. In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to USAID upon preparation:

- (1) any plans, specifications, procurement or construction schedules, contracts, or other documentation between the Grantee and third parties, relating to goods or services to be financed under the Agreement, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished USAID on preparation; and
- (2) such documentation will also be furnished to USAID, upon preparation, relating to any goods or services, which, though not financed under the Agreement, are deemed by USAID to be of major importance to the Agreement. Aspects of the Agreement involving matters under this subsection (a)(2) will be identified in Implementation Letters or Bilateral Project Agreements.

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Agreement will be approved by USAID in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Contracts and contractors financed under the Agreement for engineering and other professional services, for construction services, and for such other services, equipment, or materials as may be specified in Implementation Letters, will be approved by USAID in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by USAID prior to execution; and

(d) Consulting firms used by the Grantee for the Agreement but not financed under the Agreement, the scope of their services and such of their personnel assigned to activities financed under the Agreement as USAID may specify, and construction contractors used by the Grantee for the Agreement but not financed under the Agreement, shall be acceptable to USAID.

Section C.4. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Agreement. Such items will be procured on a fair and, to the maximum extent practicable, competitive basis.

Section C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Agreement, the Grantee will furnish USAID such information with regard thereto, and at such times, as USAID may request in Implementation Letters.

Section C.6. Transportation

- (a) In addition to the requirements in Section C.1(a), costs of ocean or air transportation and related delivery services may not be financed under the Agreement, if the costs are for transportation under an ocean vessel or air charter which has not received prior USAID approval.
- (b) Unless USAID determines that privately owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, or otherwise agrees in writing:
 - (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by USAID which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels; and
 - (2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by USAID and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

Section C.7. Insurance.

- (a) Marine insurance on goods financed by USAID which are to be transported to the territory of the Grantee may be financed as a foreign exchange cost under this Agreement provided
 - (1) such insurance is placed at the most advantageous competitive rate;
 - (2) such insurance is placed in a country which is authorized under Section C.1(a); and
 - (3) claims there under are payable in U.S. dollars or any freely convertible currency unless USAID agrees otherwise in writing.

If the Grantee (or government of the Grantee), by statute, decree, rule, regulation, or practice discriminates with respect to USAID-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all

goods shipped to the territory of the Grantee financed by USAID hereunder shall be insured against marine risks and such insurance shall be placed in the United States with a company or companies authorized to do marine insurance business in the United States.

- (b) Except as USAID may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Agreement imported for the Agreement against risks incident to their transit to the point of their use under the Agreement; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacement will be of source and origin of countries listed in USAID Geographic Code 935 as in effect at the time of replacement and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

Section C.8. U.S. Government-Owned Excess Property. The Grantee agrees that wherever practicable United States Government-owned excess personal property, in lieu of new items financed under the Agreement, should be utilized. Funds under the Agreement may be used to finance the costs of obtaining such property.

Article D: Disbursements.

Section D.1. Disbursement for Foreign Exchange Costs.

- (a) After satisfaction of conditions precedent, if any, the Grantee may obtain disbursements of funds under the Agreement for the foreign exchange costs of goods or services required for the Agreement in accordance with its terms, by such of the following methods as may be mutually agreed upon:
 - (1) by submitting to USAID, with necessary supporting documentation as prescribed in Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for USAID to procure commodities or services in Grantee's behalf for the Agreement; or,
 - (2) by requesting USAID to issue letters of commitment for specified amounts directly to one or more contractors or suppliers, committing USAID to pay such contractors or suppliers for such goods or services.
- (b) Banking charges incurred by the Grantee in connection with letters of commitment will be financed under the Agreement unless the Grantee instructs USAID to the contrary. Such other charges as the Parties may agree to may also be financed under the Agreement.

Section D.2. Disbursement for Local Currency Costs.

- (a) After satisfaction of conditions precedent, if any, the Grantee may obtain disbursements of funds under the Agreement for Local Currency Costs required for the Agreement in accordance with terms of this Agreement, by submitting to USAID, with necessary supporting documentation as prescribed in Implementation Letters, requests to finance such costs.

- (b) The local currency needed for such disbursements may be purchased by USAID with U.S. Dollars. The U.S. Dollar equivalent of the local currency made available hereunder will be the amount of U.S. Dollars required by USAID to obtain the local currency.

Section D.3. Other Forms of Disbursement. Disbursements may also be made through such other means as the Parties may agree to in writing.

Section D.4. Rate of Exchange. If funds provided under the Agreement are introduced into the Cooperating Country by USAID or any public or private agency for purposes of carrying out obligations of USAID hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into local currency at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the country of the Grantee to any person for any purpose.

Article E: Termination; Remedies.

Section E.1. Suspension and Termination.

- (a) Either Party may terminate this Agreement in its entirety by giving the other Party thirty (30) days written notice. USAID also may terminate this Agreement in part by giving the Grantee thirty (30) days written notice, and suspend this Agreement in whole or in part upon giving the Grantee written notice. In addition, USAID may terminate this Agreement in whole or in part, upon giving the Grantee written notice, if (i) the Grantee fails to comply with any provision of this Agreement, (ii) an event occurs that USAID determines makes it improbable that the Objective or Program Elements of the Agreement or the assistance program will be attained or that the Grantee will be able to perform its obligations under this Agreement, or (iii) any disbursement or use of funds in the manner herein contemplated would be in violation of the legislation governing USAID, whether now or hereafter in effect.
- (b) Except for payment which the Parties are committed to make pursuant to non-cancellable commitments entered into with third parties prior to such suspension or termination, suspension or termination of this entire Agreement or part thereof will suspend (for the period of the suspension) or terminate, as applicable, any obligation of the Parties to provide financial or other resources to the Agreement, or to the suspended or terminated portion of the Agreement, as applicable. Any portion of this Agreement which is not suspended or terminated shall remain in full force and effect.
- (c) In addition, upon such full or partial suspension or termination, USAID may, at USAID's expense, direct that title to goods financed under the Agreement, or under the applicable portion of the Agreement, be transferred to USAID if the goods are in a deliverable state.

Section E.2. Refunds.

- (a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, USAID, notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such

disbursement in U.S. Dollars to USAID within sixty (60) days after receipt of a request therefore.

- (b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed or supported under the Agreement are not used effectively in accordance with this Agreement, USAID may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for or in connection with such goods or services in U.S. Dollars to USAID within sixty (60) days after receipt of a request therefore.
- (c) The right under subsections (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.
- (d) (1) Any refunds under subsections (a) or (b), or (2) any refund to USAID from a contractor, supplier, bank or other third party with respect to goods or services financed under the Agreement, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the Agreement, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.
- (e) Any interest or other earnings on funds disbursed by USAID to the Grantee under this Agreement prior to the authorized use of such funds for the Agreement will be returned to USAID in U.S. Dollars by the Grantee, unless USAID otherwise agrees in writing.

Section E.3. Non-waiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

Section E.4. Assignment. The Grantee agrees, upon request, to execute an assignment to USAID of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a Party to a direct U.S. Dollar contract which USAID financed in whole or in part out of funds granted by USAID under this Agreement.

Article F: Miscellaneous.

Section F.1. Investment Promotion.

- (a) Except as specifically set forth in the Agreement or otherwise authorized by USAID in writing, no funds or other support provided hereunder may be used for any activity that involves investment promotion in a foreign country.
- (b) In the event the Grantee is requested or wishes to provide assistance in the above area or requires clarification from USAID as to whether the activity would be consistent with the limitation set forth above, the Grantee must notify USAID and provide a detailed description of the proposed activity. The Grantee must not proceed with the activity until advised by USAID that it may do so.

- (c) The Grantee must ensure that its employees and subcontractors and sub-recipients providing investment promotion services hereunder are made aware of the restrictions set forth in this clause and must include this clause in all subcontracts and other sub-agreements entered into hereunder.

Section F.2. Voluntary Family Planning.

The Parties agree that all USAID funds provided under this Agreement shall be used in accordance with applicable United States policy and statutory requirements relating to voluntary family planning projects, and that none of the USAID funds provided under this Agreement, or goods or services financed by such funds, may be used for:

- (a) the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions;
- (b) the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations; or
- (c) any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a method family planning.
- (d) USAID will issue implementation letters that more fully describe the requirements of this section.

Section F.3. Prohibition on Assistance to Drug Traffickers.

- (a) USAID reserves the right to terminate this Agreement or take other appropriate measures if the Grantee or a key individual of the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.
- (b) USAID reserves the right to terminate assistance to, or take or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

Section F.4. Workers' Rights.

- (a) Except as specifically set forth in the Agreement or otherwise authorized by USAID in writing, no funds or other support provided hereunder may be used for any activity that involves workers' rights in a foreign country.
- (b) In the event the Grantee is requested or wishes to provide assistance in the above area or requires clarification from USAID as to whether the activity would be consistent with the limitation set forth above, the Grantee must notify the USAID and provide a detailed description of the proposed activity. The Grantee must not proceed with the activity until advised by USAID that it may do so.
- (c) The Grantee must ensure that all employees and subcontractors and sub-recipients providing employment-related services hereunder are made aware of the restrictions set

forth in this clause and must include this clause in all subcontracts and other sub-agreements entered into hereunder.

Section F.5. Prohibition on Funding Foreign Government Delegations to International Conferences. Except as USAID may otherwise agree in writing, funds obligated under this Agreement may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization. This restriction may be further described by USAID in Implementation Letters.

Annex 3
Illustrative Financial Plan

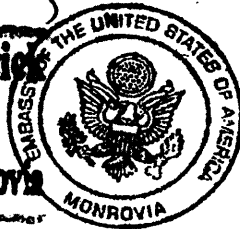
Program Area		Program Element	This Obligation	Estimated Future	Total Planned
			FY2012	Obligations	Funding Level
			US\$	US\$	US\$
Development Objective Agreement					
A12	Education		32,500,000	139,887,020	172,387,020
		A055	27,850,000		
		A056	3,350,000		
		A140 A141	1,300,000		
		Program Design and Learning; Administration and Oversight			
Total Development Objective Agreement			32,500,000	139,887,020	172,387,020

Program Area	Program Element	This Obligation FY 2012	Estimated Future Obligations	Total Planned Funding Level
		US\$	US\$	US\$
Field Support and Food for Peace				
A18	Agriculture	2,000,000	4,292,980	6,292,980
	A055 Basic Education	2,000,000		
	A140 Program Design and Learning; A141 Administration and Oversight			
	Total Field Support and Food for Peace	2,000,000	4,292,980	6,292,980
		This Obligation FY2012	Estimated Future Obligations	Total Planned Funding Level
		US\$	US\$	US\$
	Total USG Contribution	34,500,000	144,180,000	178,680,000
Government of the Republic of Liberia Contribution to the Development Objective 4 Agreement				
		In Support of FY 2012 Obligations	Estimated Support for Future Obligations	Total Planned Contribution
		US\$	US\$	US\$
	Total Expected GOL Contribution	8,125,000	34,971,755	43,096,755

The attached copy of the Development Objective Assistance Agreement Number 669-DOAG-DO4-12-00 between the United States Agency for International Development (USAID) and the Government of Liberia, is a true copy of the original signed by USAID/Liberia Mission Director Patricia Rader and the Acting Minister of Finance Sebastian Muah.



Djenaba A. Kendrick
Consul
U.S. Embassy Monrovia



Original seen and compared
by a Consular Officer
American Embassy Monrovia